

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN)
GAS COMPANY'S 2005-2009 INTEGRATED) **CASE NO. INT-G-04-1**
RESOURCE PLAN)
) **NOTICE OF FILING**
)
) **NOTICE OF MODIFIED**
) **PROCEDURE**
)
) **ORDER NO. 29617**

YOU ARE HEREBY NOTIFIED that on April 30, 2004, Intermountain Gas Company (Company) submitted its Integrated Resource Plan (IRP) for the years of 2005-2009 to the Commission. According to the Company's IRP Executive Summary, the IRP is meant to describe the currently anticipated conditions over the five-year planning horizon, the anticipated resource selections, and the process for making those resource decisions. IRP at 1. Intermountain Gas is the sole distributor of natural gas in southern Idaho, and during fiscal year 2003 it served about 242,000 customers in 74 communities. *Id.* Their system contains approximately 9,500 miles of transmission, distribution, and service lines, with over 350 miles of those lines being added in fiscal year 2003 to accommodate new customer additions and to maintain service for the Company's growing customer base. *Id.*

YOU ARE FURTHER NOTIFIED that, according to the Company's IRP, Intermountain Gas has two major markets: 1) the residential/commercial market; and 2) the industrial market. The Company's residential and commercial customers increased 5% during the first quarter of fiscal year 2004. *Id.* Forty-eight percent (48%) of the throughput on the Company's system during fiscal year 2003 was attributable to industrial sales and transportation. *Id.*

YOU ARE FURTHER NOTIFIED that customer growth forecast in the IRP was analyzed not only from a total Company perspective but also by specific geographic regions within the Company's service territory. *Id.* at 2. Peak day send-out studies and load duration curves were developed under design weather conditions to determine the magnitude and timing

of future deficiencies in firm peak day delivery capability from both a total Company interstate mainline perspective, as well as within each specific geographic region. *Id.* Residential, commercial and industrial customer peak day send-out was matched against available resources to determine which combination of new resources would be needed to meet the Company's future peak day delivery requirements at the best possible cost. *Id.* The IRP breaks down the analysis as follows:

Total Company – Residential, commercial, and industrial peak day load growth on the Company's system is forecast over the five-year period to grow at an average of 4%. *Id.* When matched against existing resources, a peak day delivery deficit occurs starting in January 2007, and increases each year thereafter. *Id.* at 3. The projected deficits in firm deliverability will be eliminated through one or more means including: 1) long-term firm capacity release and/or segmentation; 2) city gate deliverable gas supply; 3) storage, together with related mainline rights; and 4) call back opportunities. *Id.* at 4

Idaho Falls Lateral Region – The Idaho Falls Lateral Region serves a number of cities between Pocatello in the south to St. Anthony in the north. *Id.* The residential, commercial, and industrial load served off of the Lateral represents approximately 16% of the total Company customers and 20% of the Company's total winter send-out during the winter of 2003-2004. *Id.* When forecasted peak day send-out is matched against the existing peak day distribution capacity, a peak day delivery deficit occurs in 2005 and increases each year thereafter. *Id.* at 5. The Company believes that small, short duration peak day distribution delivery deficits can be eliminated or at least mitigated by working with the region's industrial customers to facilitate the use of fuel oil during extreme cold temperatures. *Id.* However, the projected delivery deficits are of such magnitude that "looping" of the existing system is warranted, adding the necessary firm delivery capability to that area. *Id.*

Sun Valley Lateral Region – The load served by this region represents approximately 4% of the total Company customers and 4% of the Company's total winter send-out during the winter of 2003-2004. *Id.* A peak day delivery deficit under the IRP's forecasted peak day send-out occurs during 2005 and increases each year thereafter. *Id.* at 5-6. Growth along the Sun Valley Lateral warrants an upgrade to the existing pipeline system. *Id.* at 6. The tourism

industry-driven industrial load in this region is limited in size and does not currently have the capability to switch to alternative fuels as a means of mitigating peak day send-out. *Id.*

Canyon County Region – The load served off of the Canyon County Lateral represented approximately 14% of the total Company customers and 17% of the Company's total winter send-out during the winter of 2003-2004. *Id.* Forecasted peak day send-out results in a peak day delivery deficit occurring during 2006 and increasing each year thereafter. *Id.* at 6-7. The industrial customer base served by the Canyon County Lateral does not currently have the capability to switch to alternative fuels as a means of mitigating peak day send-out and the Company is currently exploring optional means of enhancing the distribution capability on this Lateral. *Id.*

YOU ARE FURTHER NOTIFIED that the filing in this case may be viewed online at www.puc.state.id.us by clicking on "File Room" and "Gas Cases," or it can be viewed during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing of record in this case. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company's filing may be processed under **Modified Procedure**. (i.e., by written submission rather than by hearing). IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comment have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 01.01.01.204.

NOTICE OF COMMENT/PROTEST DEADLINE

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in this case is **21 days from the service date of this Order**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to Intermountain Gas Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address For Express Mail:
472 W. Washington Street
Boise, ID 83702-5983


Michael P. McGrath, Director
Market Services & Regulatory Affairs
Intermountain Gas Company
555 South Cole Road
PO Box 7608
Boise, ID 83707
E-mail: mmcgrath@intgas.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's homepage located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Intermountain Gas Company at the address listed above.

ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than 21 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th
day of October 2004.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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